

Introduced by Senator FlorezFebruary 22, 2008

An act to amend Section 8880.56 of the Government Code, relating to the California State Lottery.

LEGISLATIVE COUNSEL'S DIGEST

SB 1725, as introduced, Florez. California State Lottery.

Existing law, the California State Lottery Act of 1984, authorizes the Director of the California State Lottery to purchase or lease goods and services as are necessary for effectuating the purposes of the act, and prohibits the director from contracting with any private party for the operation and administration of the California State Lottery.

This bill would make technical, nonsubstantive changes to those provisions.

Vote: majority. Appropriation: no. Fiscal committee: no.
State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 8880.56 of the Government Code is
- 2 amended to read:
- 3 8880.56. (a) Notwithstanding ~~any other provisions of law~~, the
- 4 director may purchase or lease goods and services as are necessary
- 5 for effectuating the purposes of this chapter. The director ~~may~~
- 6 *shall* not contract with any private party for the operation and
- 7 administration of the California State Lottery, created by this
- 8 chapter. However, this section does not preclude procurements
- 9 ~~which~~ *that* integrate functions such as game design, supply,

1 advertising, and public relations. In all procurement decisions, the
2 director shall, ~~subject~~ *do all of the following*:

3 (1) *Subject* to the approval of the commission, award contracts
4 to the responsible supplier submitting the lowest and best proposal
5 that maximizes the benefits to the state in relation to the areas of
6 security, competence, experience, and timely performance, ~~shall~~
7 ~~take~~.

8 (2) *Take* into account the particularly sensitive nature of the
9 California State Lottery ~~and shall act~~.

10 (3) *Act* to promote and ensure integrity, security, honesty, and
11 fairness in the operation and administration of the lottery and the
12 objective of raising net revenues for the benefit of the public
13 purpose described in this chapter.

14 (b) Notwithstanding any other provision of this chapter, the
15 following shall apply to contracts or procurement by the lottery:

16 (1) To ensure the fullest competition, the commission shall
17 adopt and publish competitive bidding procedures for the award
18 of any procurement or contract involving an expenditure of more
19 than one hundred thousand dollars (\$100,000). The competitive
20 bidding procedures shall include, but not be limited to,
21 requirements for submission of bids and accompanying
22 documentation, guidelines for the use of requests for proposals,
23 invitations to bid, or other methods of bidding, and a bid protest
24 procedure. The director shall determine whether the goods or
25 services subject to this paragraph are available through existing
26 contracts or price schedules of the Department of General Services.

27 (2) The contracting standards, procedures, and rules contained
28 in this subdivision shall also apply with respect to any subcontract
29 involving an expenditure of more than one hundred thousand
30 dollars (\$100,000). The commission shall establish, as part of its
31 bidding procedures for general contracts, subcontracting guidelines
32 that implement this requirement.

33 (3) The provisions of Article 1 (commencing with Section
34 11250) of Chapter 3 of Part 1 of Division 3 apply to the
35 commission.

36 (4) The commission is subject to the Small Business
37 Procurement and Contract Act, as provided in Chapter 6.5
38 (commencing with Section 14835) of Part 5.5 of Division 3.

39 (5) In advertising or awarding ~~any~~ a general contract for the
40 procurement of goods and services exceeding five hundred

1 thousand dollars (\$500,000), the commission and the director shall
2 require all bidders or contractors, or both, to include specific plans
3 or arrangements to utilize subcontracts with socially and
4 economically disadvantaged small business concerns. The
5 subcontracting plans shall delineate the nature and extent of the
6 services to be utilized, and those concerns or individuals identified
7 for subcontracting if known.

8 It is the intention of the Legislature in enacting this section to
9 establish as an objective of the utmost importance the advancement
10 of business opportunities for these small business concerns in the
11 private business activities created by the California State Lottery.
12 In that regard, the commission and the director shall have an
13 affirmative duty to achieve the most feasible and practicable level
14 of participation by socially and economically disadvantaged small
15 business concerns in its procurement programs.

16 By July 1, 1986, the commission shall adopt proposal evaluation
17 procedures, criteria, and contract terms ~~which~~ *that* are consistent
18 with the advancement of business opportunities for small business
19 concerns in the private business activities created by the California
20 State Lottery and ~~which~~ *that* will achieve the most feasible and
21 practicable level of participation by socially and economically
22 disadvantaged small business concerns in its procurement
23 programs. The proposal evaluation procedures, criteria, and
24 contract terms adopted shall be reported in writing to both houses
25 of the Legislature on or before July 1, 1986.

26 For the purposes of this section, socially and economically
27 disadvantaged persons include women, Black Americans, Hispanic
28 Americans, Native Americans (including American Indians,
29 Eskimos, Aleuts, and Native Hawaiians), Asian-Pacific Americans
30 (including persons whose origins are from Japan, China, the
31 Philippines, Vietnam, Korea, Samoa, Guam, the United States
32 Trust Territories of the Pacific, Northern Marianas, Laos,
33 Cambodia, and Taiwan), and other minorities or any other natural
34 persons found by the commission to be disadvantaged.

35 The commission shall report to the Legislature by July 1, 1987,
36 and by each July 1 thereafter, on the level of participation of small
37 businesses, socially and economically disadvantaged businesses,
38 and California businesses in all contracts awarded by the
39 commission.

1 (6) The commission shall prepare and submit to the Legislature,
2 by October 1 of each year, a report detailing the lottery's purchase
3 of goods and services through the Department of General Services.
4 The report shall also include a listing of contracts awarded for
5 more than one hundred thousand dollars (\$100,000), the name of
6 the contractor, *the* amount and term of the contract, and the basis
7 upon which the contract was awarded.
8 The lottery shall fully comply with the requirements of
9 paragraphs (2) to (5), inclusive, except that any function or role
10 ~~which~~ *that* is otherwise the responsibility of the Department of
11 Finance or the Department of General Services shall instead, for
12 purposes of this subdivision, be the sole responsibility of the
13 lottery, which shall have the sole authority to perform that function
14 or role.